

TRANSMITTAL SLIP		DATE 16 January '59	
TO: STAT 			
ROOM NO. 220		BUILDING East Building	
REMARKS: I am forwarding some additional information on Sen. Magnuson's proposed bill on the International Telegraph Merger. I will appreciate being informed of any new developments that may come to your attention. <div style="border: 1px solid black; width: 400px; height: 100px; margin: 10px auto;"></div> <div style="text-align: center; margin-top: 10px;">/</div>			
FROM: D/CO			
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Excerpt from TELECOMMUNICATIONS REPORTS, Vol. 25, No. 11 dated 12 January 1959

SENATOR MAGNUSON EXPECTED TO REINTRODUCE PERMISSIVE INTERNATIONAL
TELEGRAPH MERGER BILL EARLY IN THIS SESSION OF CONGRESS; DEFENSE
AND STATE DEPARTMENTS IN FAVOR OF MERGER; JUSTICE VIEWS UNKNOWN

Chairman Warren G. Magnuson (D., Wash.) of the Senate Interstate & Foreign Commerce Committee will reintroduce his permissive international telegraph merger bill in the near future, it is generally anticipated.

There has been no indication that a substantial number of opposing letters generated by the American Communications Association, from some of its members, other labor unions not associated with the communications industry, and generally small users of international telegraph service, has affected Senator Magnuson's previously indicated intention (TELECOMMUNICATIONS, Aug. 11) to reoffer the legislation.

HIGHLIGHTS: State, Defense Departments submit views to Budget Bureau.... FCC still has not completed comments, and awaiting written material from ACA, but believed to be generally in favor of merger.... No comments except GAO's formally received by Senate committee.... Beirne advises CWA members of meetings with government officials; stresses job protection need.

When he offered the "working draft" legislation last year, Senator Magnuson pointed toward hearings this year, in his comments that the intervening months would give the interested government departments time to prepare their views.

No bills were being introduced in the Senate last week, pending a decision on proposed rules limiting debate, and it was understood, in addition, that Senator Magnuson had not had an opportunity to take final action on reintroduction of the bill. But it was anticipated that such a step would come soon.

Meanwhile, it was reliably understood last week that the Defense and State Departments, in comments which have been submitted to the Bureau of the Budget for the customary scrutiny Budget gives to legislative statements filed by executive agencies to be certain they conform to the President's program, are in favor of permissive merger legislation.

So far as was known, the FCC has not completed its comments, but the Commission is not expected to oppose merger legislation, and presumably will favor it if the measure takes into account its regulatory responsibilities under the Communications Act. The Commission, by late last week, had not received the written material it invited the American Communications Association to submit when it turned down ACA's request for a public conference on merger (TELECOMMUNICATIONS, Oct. 22), and this apparently had delayed completion of its statement.

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There was no information available as to the Justice Department's position, which might not be completely resolved, in view of the fact that Justice said its comments would be delayed because of the absence from his desk of Assistant Attorney General Victor R. Hansen, in charge of the Antitrust Division. They are expected in about two weeks.

By the close of last week, the only comment received by the Senate Interstate Commerce group from a government agency was the previously reported filing of the General Accounting Office.

The reported positions of the Defense and State Departments lent particular emphasis to comments of President Joseph A. Beirne of the Communications Workers of America, which have been made available to employees of the American Cable & Radio Corp. and Globe Wireless, represented by CWA. Mr. Beirne, reporting on meetings between himself and CWA staff members with officials of the interested government departments, declared that "These meetings have allowed us to better appraise and evaluate our program and the next steps to be taken by CWA in protecting the jobs of all the employees in the industry, while at the same time protecting the best interests of our national defense, the interest of the nation as a whole, the general public, and the industry itself."

He declared that ACA--which he noted was expelled from the CIO in 1949 on charges of communist control--"has been seeking support against permissive merger legislation on the grounds that such legislation would be harmful to the national defense."

The CWA President went on, "Any support obtained by ACA against permissive merger legislation on the premise that such legislation is harmful to the national defense will crumble and become more harmful than beneficial in the event the Defense Department should come out in favor of such legislation as being in the best interest of national defense. We can ask ourselves a simple question, and it is this: who will Congress listen to as to what is best for the national defense of our country--will Congress listen to the Department of Defense, or will it listen to the ACA?"

Mr. Beirne added, "CWA's opposition to each of the proposals for permissive merger that have been introduced to date has been based upon a sincere concern for the job security of all employees in the industry, regardless of length of service, as well as upon our genuine concern for national defense and for that which is in the best interest of the nation as a whole, the general public, and the industry itself. Being a part of the AFL-CIO, (CWA) will have maximum support from the American labor movement when the legislative battle regarding the proposal for permissive merger begins in the halls of Congress."